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## **New Legislation Would Eliminate Junk Fees in Illinois**

Amended bill now has serious teeth, with full backing from Rep. Morgan, Sen. Aquino, Economic Security Illinois, American Economic Liberties Project, & support from Illinois Attorney General's office

If passed, legislation would create transparency around pricing and eliminate fees that can cost an average family of four over \$3,000 per year

Springfield, IL – State Representative Bob Morgan, State Senator Omar Aquino, and advocates from Economic Security Illinois and American Economic Liberties Project are proud to announce a significant milestone in the fight against predatory pricing practices. Mirroring national policies from the Biden Administration, the Federal Trade Commission, the Consumer Financial Protection Bureau, and the American Economic Liberties Project, Rep. Morgan and Senator Aquino have introduced, new amended legislation to eliminate exploitative "Junk Fees" in Illinois, connecting it with a national movement. The legislation was drafted in collaboration with and is supported by the Illinois Attorney General's office.

If passed, <u>SB 3331</u>/ <u>HB 4629</u> would expand consumer protections by giving the Attorney General's office more power under the law to go after companies that charge consumers junk fees. This legislation would also require companies to transparently post the price of fees, so that consumers are not duped into buying a product or service for one price, when the actual price is higher than advertised. With newly amended language, the bill would now arm the Illinois Attorney General's office with the necessary tools to increase transparency around fees and ensure fair competition.

Junk fees are required and hidden charges added by corporations at the end of transactions that have plagued the American economy, <u>causing consumers to lose tens of billions annually.</u> These fees are often labeled as "convenience" or "processing" fees, and appear without reason or benefit to the consumer, distorting fair and transparent markets. An <u>analysis by Consumer Reports</u> found that an average family of four can lose approximately \$3,200 a year on junk fees. In line with policies being adopted in states across the country, this bill would prevent this practice in Illinois, and protect Illinois families. (<u>Learn more.</u>)

"This legislation marks a crucial step in protecting consumers and fostering fair competition in Illinois," said State Representative Bob Morgan. "We are committed to eradicating predatory practices that harm consumers and small businesses. In Illinois, we want to be sure that the price you see advertised is the price you pay."

"Junk fees are more than a nuisance; hidden fees deceptively take money from working families, with the most pernicious impact on low-income households and people of color, especially when English is not their first language," said **State Senator Omar Aquino**. "With this bill, we can get rid of this gross practice, and ensure that companies doing business in our state post real prices or face legal repercussions."

"Hidden and junk fees drive up the price of goods and frustrate consumers to no end, decreasing trust in the marketplace and putting honest businesses at a disadvantage," **Attorney General Kwame Raoul** said. "My office's Consumer Protection Division will continue to go after bad actors who exploit consumers for their financial gain. We welcome efforts at the state and federal level to increase transparency, ensure businesses of all sizes can compete fairly and protect consumers from junk fees."

"We know that American families are subject to up to \$3,200 annually in junk fees that have nothing to do with the service or product," said **Ameya Pawar, Senior Advisor at the Economic Security Project and Economic Security Illinois.** "Cracking down on junk fees ensures Illinois households keep more of their hard-earned money and keep that money flowing through Illinois small businesses."

"Deceptive junk fees cost Illinois families thousands of dollars per year and harm the honest Illinois businesses that offer transparent prices," said **Pat Garofalo**, **Director of State and Local Policy at the American Economic Liberties Project.** "We're thrilled to see Sen. Aquino and Rep. Morgan introduce this important bill, and we hope to see Illinois become a leader in the nationwide movement to throw junk fees in the trash."

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Economic Security Illinois Action is an affiliate of Economic Security Project Action.

Economic Security Project Action mobilizes resources and people behind ideas that build economic power for all Americans. As an ideas advocacy organization, we legitimize our issues by supporting cutting edge research and elevating champions, win concrete policy victories for the communities that need to see change now, and provoke the conventional wisdom to shift what's considered possible. Our team of academics, organizers, practitioners and culture makers disburse grants, run issue campaigns, develop creative interventions and research products to support the field, and coordinate events to encourage investment and action from others.